

[illegible]

Joseph S. Muto, being duly sworn upon his oath, states:

1. My name is Joseph S. Muto and I am Secretary and General Counsel for Clarion Corporation of America, a California corporation with its headquarters in Cypress, California ("Clarion"). I am over the age of 21 years, have personal knowledge of the facts set forth herein, and am competent to testify to the same. I am submitting this Affidavit in support of Clarion's Response and Objection ("Response and Objection") to the Non-Confirming Cure Notice Motion filed by the Debtors.

2. Clarion has never had and does not now have offices or facilities in China. In particular, Clarion has no offices or facilities at the address which the Affidavit of Service dated January 8, 2008 [Docket No. 11773] (the "Affidavit of Service") recites as the address to which the original, bar-coded cure notice intended for Clarion was transmitted by the Debtors, which address was:

8F, Gangkou Youqu Center Bureau Xiamen, China 36104

3. Clarion became aware of the existence of the Notice of Cure Amount and the deadlines applicable thereto when it was advised by its counsel that certain Clarion contracts were listed in the documents appended to the Affidavit of Service filed by debtors relative to the transmittal of cure notices to various counterparties.

4. Faced with the looming deadline and the absence of an original notice, Clarion duplicated the form of notice using a notice transmitted to another of the clients represented by Clarion's counsel, prepared a schedule of purchase orders and cure amounts in a format which duplicated the other notices transmitted by the Debtors, and additionally attached the page of Exhibit A to the Affidavit of Service that reflected the transmittal of the cure notice to Clarion's purported, but nonexistent, address in China.

5. Clarion timely filed the cure notice election under the applicable procedures. A true and correct copy of the document filed by Clarion was attached as Exhibit A to Clarion's Response and Objection.

6. Clarion timely filed the duplicate cure notice election in good faith and in order to comply with the established deadlines for such filings, and in order to avoid the necessity for Clarion and the Debtors to expend additional energy rectifying the erroneous address utilized by the Debtors for the original cure notice.

7. Clarion believes that despite whatever nominal "inconvenience" the Debtors may have experienced, Clarion's handling of the Debtors' failure effectively to deliver an original cure notice to Clarion was significantly less time-consuming and inconvenient than had Clarion been required to seek a retransmittal of the original notice and an enlargement of the deadline for an election by Clarion with respect to it.

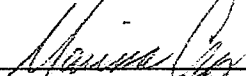
Further affiant sayeth not.

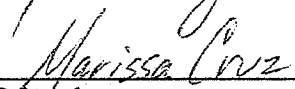
  
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Joseph S. Muto

STATE OF CALIFORNIA    )  
                                  ) ss:  
COUNTY OF ORANGE    )

Before me, a Notary Public in and for said County and State, personally appeared Joseph S. Muto, who acknowledged the execution of the foregoing Affidavit, and who, having been duly sworn, stated that any representations contained therein are true.

Witness my hand and Notarial Seal this 19<sup>th</sup> day of February, 2008.

Notary   
\_\_\_\_\_

Notary   
\_\_\_\_\_  
Printed

My Commission Expires: 11-19-2008  
County of Residence: Los Angeles  
INDS01 MKM 1018409v1

